

(12/31/1995)

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DATE 09-02-2011 BY 60324UCBAW/SB/CHW

## FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 11/21/1997

To: Finance Division  
National Security  
Chicago

Attn:

ASAC

From: National Security

Contact: SSA

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Approved By:

Drafted By:

Case ID #: 265C-CG-101942 (Pending)

Title: VULGAR BETRAYAL  
AOT  
OO:GC

Synopsis: Request for financial assistance.

Details: The attached Chicago EC dated 7/24/97 details the Chicago request for funds to hire an outside accounting firm to assist with the captioned investigation. The National Security Division substantive desk, [redacted] concurred with the Chicago request as detailed on the accompanying addendum. Follow up telephone calls with the Chicago Division disclose the amount of funding requested is approximately [redacted]. Therefor, based on Chicago's discussions with Asset Forfeiture Management Staff, (attached 7/24/97 EC,) approximately [redacted] would be requested from forfeiture funds and [redacted] would be provided from the National Security Division.

LEAD:

Set Lead 1:

FINANCE DIVISION

AT WASHINGTON D.C.

Finance Division is requested to refer this request to the proper officials at the Department of Justice - Asset Forfeiture Management Staff, for action on the Chicago request for forfeiture funds. Please keep the Chicago Division and the [redacted] - SSA [redacted] advised of the status of the request.

✓ 265C-CG-101942-436

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 01 1997	
FBI - CHICAGO	
[redacted] LGW	

To: Chicago From: National Security  
Re: 265C-CG-101942, 11/21/1997

NATIONAL SECURITY

AT WASHINGTON DC

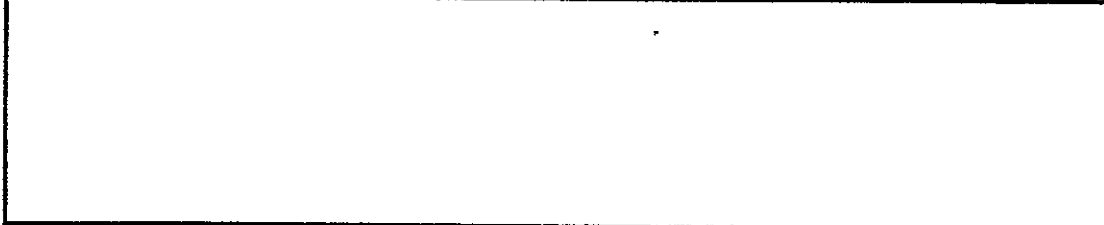
The Budget and Staffing Unit of NSD is requested to authorize the requested amount of approximately [ ] in support of the Chicago investigation. Budget and staffing is requested to stay in contact with the Finance Division as to any details that need to be resolved so this dated request may move forward.

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From: [REDACTED]  
To: HQD5.D5P05 [REDACTED]  
Date: 11/25/97 1:06pm  
Subject: VULGAR BETRAYAL - AFF SUPPORT

[REDACTED] I am in receipt of your EC concerning Chicago's request for hiring KPMG for this case. In the past, DOJ Asset Forfeiture Management Staff's (AFMS) has scrutinized these requests very closely. Concerns raised by AFMS in the past concerning these proposals are as follows:



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These concerns, and probably others will be raised by DOJ. DOJ's spending authority from the asset forfeiture fund is closely monitored. The fund is audited annually for compliance with the AG Guidelines.

In Chicago's EC to NSD, it appears that Chicago is of the belief that [REDACTED] is a DOJ official.

I tried calling you at your extension around lunch time. Please call me. I would like to discuss further, probably with [REDACTED] as well. [REDACTED] can offer some guidance in this area. Thanks

CC: [REDACTED]

From: [REDACTED]  
To: [REDACTED]  
Date: 11/25/97 4:57pm  
Subject: VULGAR BETRAYAL - CHICAGO DIV.

I just spoke with Chicago's Forfeiture Team Coordinator - [REDACTED]. He indicated that he was not aware of [REDACTED] (request for personnel services in captioned case. I faxed a copy of all ECs to [REDACTED] for his info. and comment. He will get back to me on Monday after he has had a chance to look over the materials and discuss the case with SA [REDACTED] surmised that one of his forf. paralegal specialists is good friends with [REDACTED] and may in good faith have steered SA [REDACTED] to [REDACTED] directly. I understand from [REDACTED] DOJ, that [REDACTED]

That aspect aside, I respectfully suggest that we see what [REDACTED] has to say before proceeding any further on this matter. [REDACTED] addendum seems to support the premise that the multitude of records will have to be reviewed, categorized, etc., as an integral investigative step towards [REDACTED] indictment/trial, with a tangential impact on the forfeiture case. As [REDACTED] has indicated, forfeiture funds are limited to paying solely for services to identify, preserve, or restrain assets for forfeiture. A tangential benefit on the criminal case is okay, but not vice versa. [REDACTED] Somebody from NSD or CID should probably be named as the Contracting Officer's Technical Representative (COTR) to ensure proper contractor performance in the event KPMG is utilized. [REDACTED] is the COTR on CID's LCN/KPMG initiative only. I would recommend somebody in CID's Asset Forfeiture Unit be used just to ensure continuity; but we can discuss at your convenience (if you are still here you short timer). Thanks.

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Happy Thanksgiving ya all.

[REDACTED]  
Asset Forfeiture Unit, CID  
[REDACTED]

CC: [REDACTED]

Memorandum



To : [redacted] Date December 2, 1997  
NSD [redacted]  
From : [redacted]  
NSD [redacted]  
Subject: VULGAR BETRAYAL;  
IT-AOT (WCC);  
OO:CG  
265-CG-101942

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Attached please find three E-Mail messages between [redacted] of the Division 6 Asset Forfeiture Unit and myself. Basically, [redacted] is advising that he does not believe there is sufficient evidence of asset forfeiture potential to justify the request for DOJ forfeiture funds. [redacted] recommends and I agree that NSD should approve the funding for the entire amount of approximately [redacted]. As was described in my previous addendum of the original Chicago request, the scope of this investigation is such that the accounting work could not be accomplished by Special Agent accountants and or FBI Accounting Technicians.

We would appreciate anything you can do to push this request along to get the necessary authority for Chicago to hire KPMG to assist with this investigation, as soon as possible.

CC: ASAC [redacted] - CG

✓ 265C-CG-101942

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SEARCHED	INDEXED
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DEC 29 1997	
FBI - CHICAGO	

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From: [redacted]  
To: [redacted]  
Date: 12/2/97 12:41pm  
Subject: Chicago's request for KPMG services - update

[redacted]  
SA [redacted] Chicago Div.'s forfeiture coordinator, called me yesterday about VULGAR BETRAYAL. He has discussed the investigation with the c/a, Supervisor, and other pertinent people, and agrees that this investigation warrants help. However, I still question if the need is for work that has to be done anyway to prepare the case for trial, or relates primarily to the forfeiture side of the case (i.e., no or few forfeitures will occur "but for" professional support services to be provided by KPMG).

[redacted] I hate to be a nag or the fly in the ointment, but AG guidelines are very strict on the use of forfeiture money. Chicago's request is not narrowly defined in that regard. I'm not suggesting a little 'creative writing' is in order. Perhaps you can find out more from the c/a. Or, if time is a problem, you might want to pursue funding this service out of NSD money as you indicated in your previous e-mail.

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Based on the information we have available, it does not appear that the Asset Forfeiture Unit, CID, can recommend this project be funded with Forfeiture Funds.

Please call if questions. Thanks

[redacted] CID, [redacted]

CC: [redacted]