

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



October 28, 2002

The Honorable Anthony A. Williams
Mayor
District of Columbia
1350 Pennsylvania Avenue, N.W., 6th Floor
Washington, D.C. 20004

Re: Significant Activity Report - Sentencing of the Former General Counsel to the Office
of the Chief Financial Officer

Dear Mayor Williams:

I would like to inform you about recent developments regarding the Saamir (Sam) Kaiser case, which was jointly investigated by the Federal Bureau of Investigation (FBI) and my Office. Mr. Kaiser, former General Counsel to the Chief Financial Officer of the District of Columbia, was sentenced on Tuesday, October 22, 2002, by a United States District Judge to 54 months of imprisonment, to be followed by a 3-year term of supervised release. Kaiser was also ordered to pay \$514,149.97 in restitution to the District of Columbia government. As you recall, on July 9, 2002, Kaiser pleaded guilty to one count of mail fraud and one count of fraud in the first degree.

According to the government's case, Mr. Kaiser repeatedly made false representations regarding his educational and professional credentials to secure employment in the District government. In addition, he used government funds totaling \$248,105 from the Tobacco Settlement Financial Corporation for his personal use.

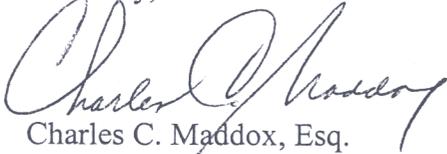
This criminal investigation was initiated by my Office based upon information received from a confidential source. We then asked the FBI to join us in the investigation and pursued the matter criminally with the assistance of the Office of Internal Security, Office of the Chief Financial Officer.

A copy of the press release issued by the U.S. Attorney's Office is enclosed, as well as two recent newspaper articles addressing this case. If you need additional information, please

Mayor Williams
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feel free to contact Jerome Campana, Deputy Inspector General for Investigations, on (202) 727-2540.

Sincerely,



Charles C. Maddox, Esq.
Inspector General

CCM/as

Enclosures

- cc: Mr. John Koskinen, City Administrator
Mr. Kelvin Robinson, Chief of Staff, Executive Office of the Mayor
All District of Columbia Councilmembers
The Honorable Joe Knollenberg, Chairman, House Subcommittee on D.C. Appropriations
The Honorable Connie Morella, Chairman, House Subcommittee on D.C. Government Reform
The Honorable Richard Durbin, Chairman, Senate Subcommittee on D.C. Government Oversight
The Honorable Mary Landrieu, Chairman, Senate Subcommittee on D.C. Appropriations



U.S. Department of Justice

ROSCOE C. HOWARD, JR.
*United States Attorney for the
District of Columbia*

*Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530*

PRESS RELEASE

FOR IMMEDIATE RELEASE
Tuesday, October 22, 2002

For Information Contact Public Affairs
Channing Phillips (202) 514-6933

**Former General Counsel to the D.C. Chief Financial Officer
sentenced to 54 months in jail**

Washington, D.C. – United States Attorney Roscoe C. Howard, Jr., Charles C. Maddox, Inspector General for the District of Columbia Government, and Van A. Harp, Assistant Director in Charge of the Washington Field Office of the Federal Bureau of Investigation (“FBI”), announced that Saamir Kaiser, 38, who in 2001 served as the General Counsel to the Chief Financial Officer of the District of Columbia Government, was sentenced today by United States District Judge Ellen Segal Huvelle to 54 months of imprisonment, to be followed by a 3-year term of supervised release. Judge Huvelle also ordered Kaiser to pay \$514,149.97 in restitution to the District of Columbia Government. On July 9, 2002, Kaiser pleaded guilty to one count of fraud in the first degree, a violation of 22 D.C. Code §§ 22-3221(a) and 3222(a)(1), and one count of mail fraud, a violation of 18 U.S.C. § 1341.

According to the government’s factual proffer in support of the guilty plea to first-degree fraud, in December 1996 Kaiser secured a job as a Paralegal Researcher with the District of Columbia Financial Responsibility and Management Assistance Authority (“Control Board”). Starting in about August 1998, Kaiser repeatedly made false representations to his superiors at the

Control Board regarding his educational and professional credentials. Contrary to Kaiser's representations, he neither possessed a law degree nor was admitted to any state bar. However, based on his fraudulent representations, Kaiser was promoted to a Staff Attorney position with the Control Board, and later, in April 2000, was promoted to the position of Counsel.

In January 2001, in an application for the position of Deputy General Counsel in the Office of the Chief Financial Officer of the District of Columbia Government ("OCFO"), Kaiser represented that in 1996 he earned an L.L.B. degree, that is, a three-year graduate Bachelor of Law degree, from "Cambridge University Law School" in Cambridge, England. He also represented on the resume that accompanied his employment application that, among other things, he was a *summa cum laude* graduate of The George Washington University, graduated with first-class honors when he earned the L.L.B. degree from Cambridge, and was a member in good standing of the New York and Maryland State Bars. Kaiser well knew that these representations were false. The truth regarding Kaiser's academic background and legal training is as follows:

- Kaiser graduated from The George Washington University in 1985. He graduated without distinction with a 2.57 grade point average, having failed three courses.
- In the fall of 1994, Kaiser enrolled at Cambridge University ("Cambridge") in Cambridge, England. In the spring of 1996, Kaiser earned a Bachelor of Arts degree, that is, a two-year undergraduate degree, from Cambridge. That degree was, as Kaiser knew, revoked by Cambridge in January 1997, after Kaiser, through a representative, pleaded guilty in an academic disciplinary proceeding to fifteen charges of forgery, falsification, and improper use of documents attesting to academic achievement. Those charges arose from Kaiser submitting doctored Cambridge transcripts when applying to graduate law degree programs (L.L.M. programs) in the United States.
- In January 1988, Kaiser matriculated at the Thomas M. Cooley Law School ("Cooley Law School") in Lansing, Michigan. After four semesters, Kaiser was dismissed from the law school due to deficient academic performance. Kaiser had a cumulative grade point average of 1.82; Cooley Law School students needed to maintain a grade

point average of 2.00 to stay in good standing.

- Kaiser is not and has never been a member of any state bar. In 1997, he failed the New York State Bar Examination after submitting a fraudulent application to sit for the test.

Based on Kaiser's fraudulent representations, however, he obtained the OCFO Deputy General Counsel position, for which he was paid at the rate of over \$105,000 per year. In July 2001, based on the OCFO's ongoing reliance on Kaiser's fraudulent representations, Kaiser was promoted to General Counsel of the OCFO, a position for which he received an annual salary of \$121,285. As Kaiser knew, had he represented the truth about his credentials – that is, that he did not have a law degree and was not a member of any state bar – he would not have been considered or hired for any attorney or counsel positions with the Control Board or the OCFO, or been entitled to or received the salaries paid for those positions. In all, Kaiser earned \$266,044.97 while posing as a local government attorney.

The government's factual proffer in support of the guilty plea to mail fraud was as follows: In relation to his work as OCFO General Counsel, Kaiser was subsequently appointed by the District of Columbia Tobacco Settlement Financing Corporation ("Corporation") Board to serve as the Corporation's Assistant Treasurer. The Corporation was established to administer the share of money the District of Columbia Government received pursuant to a national tobacco litigation settlement. In March 2001, the Corporation opened a checking account with Wells Fargo Bank Indiana, N.A. ("Wells Fargo account"), with the address for the Wells Fargo account being the address of the OCFO at 441 Fourth Street in Northwest Washington, D.C. Kaiser was listed as a signatory for the Wells Fargo account and had independent check writing authority. Kaiser was not authorized to use funds from the Wells Fargo account for his or others' personal use. The Wells

Fargo account was initially funded with approximately \$300,000.

From about June 2001 to January 2002, Kaiser devised a scheme to defraud the Corporation of money and to obtain money and property for himself by means of false and fraudulent pretenses and representations. Specifically, during that time period Kaiser wrote eighteen checks on the Wells Fargo account, totaling \$248,105, and used these funds for his personal use and benefit.

It was part of the scheme that:

- In June 2001, Kaiser made one Wells Fargo account check payable in the amount of \$28,000 to a car dealership in Virginia. Kaiser used that \$28,000 as a down payment on a Mercedes Benz automobile that he purchased for himself for over \$48,000. (The automobile was subsequently seized by the FBI pursuant to forfeiture proceedings.) In July 2001, Kaiser wrote out another Wells Fargo check, payable in the amount of \$3,300, to a ballroom in order to pay for holding his wedding at that venue. Another check was made payable by Kaiser, in the amount of \$8,005, to a travel agent and was used to pay for Kaiser's honeymoon vacation.
- Kaiser made fourteen other Wells Fargo account checks payable to himself, and then deposited the funds into his personal bank accounts. He used the Corporation's funds to, among other things, pay off a student loan and several personal credit card accounts.
- On or about July 11, 2001, Kaiser made a Wells Fargo account check payable to his landlord, and soon thereafter, in furtherance of his scheme to defraud, sent that check from Washington, D.C., via the United States Postal Service, to his landlord's parents in New York, New York. The proceeds from that check, which was in the amount of \$7,000, were used to pay for two months rent and a security deposit for the apartment that Kaiser leased in Washington, D.C.
- In November 2001, Kaiser rented a personal mailbox, mailbox number 269 at the Mail Boxes Etc. business located at 1220 L Street in Northwest Washington, D.C. Soon thereafter, to conceal his fraudulent use of the Wells Fargo account for personal purposes and to permit him to continue to write fraudulent checks on that account, Kaiser contacted Wells Fargo Bank Indiana, N.A., and listed that personal mailbox as the new address for the Wells Fargo account. As a result, the bank statements and all correspondence related to the Wells Fargo account were from that point forward sent by United States mail to Kaiser's personal mailbox.
- From about December 19, 2001, to about January 3, 2002, Kaiser deposited three of

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the Wells Fargo account checks, in the amounts of \$9,500, \$28,000, and \$22,000, into a personal bank account located in the United States, and subsequently made two wire transfers, totaling \$55,000, from that domestic personal bank account to a personal bank account located in the United Kingdom. Sometime in January 2002, Kaiser fled to the United Kingdom, and used that \$55,000 to pay for personal living expenses.

In announcing the sentence, United States Attorney Howard, Inspector General Maddox, and Assistant Director in Charge Harp commended the substantial efforts of Senior Special Agents Shelley E. Elliott and Darryl M. Barra of D.C.'s Office of the Inspector General, and FBI Special Agents David A. McClelland and Daniel J. Foore. They also thanked Assistant United States Attorneys Gregory G. Marshall and Linda McKinney, who prosecuted the case.

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washingtonpost.com

Ex-D.C. Official Sentenced for Fraud

Phony Lawyer Given 4 1/2-Year Term, Ordered to Pay \$514,000 in Restitution

By Avram Goldstein
Washington Post Staff Writer
Wednesday, October 23, 2002; Page B03

Saamir "Sam" Kaiser, who tricked top District officials and members of Congress into believing that he was a lawyer and then embezzled city money for personal luxuries, was sentenced yesterday to 4 1/2 years in federal prison and ordered to repay \$514,000.

In a separate civil case, Kaiser, 38, agreed to pay an additional \$150,000 in punitive damages to the District for his actions.

U.S. District Judge Ellen Segal Huvelle tacked on a six-year supervised probation, during which restitution will be taken from whatever income he earns at the time. Kaiser is destitute, so Huvelle imposed no fine for the federal mail fraud charge or the District fraud charge.

Huvelle said she exceeded the government's request of three years' probation because of what she called the seriousness of the crimes and Kaiser's history of misrepresentation. She said not all of his fraudulent activities were included in the criminal case before the court, such as working as a lawyer for a D.C. law firm without the law degree he claimed to have. He was fired from that firm in 1991.

Information about his firing never reached his patrons in city government, including Daniel A. Rezneck, who was general counsel to the D.C. financial control board, and D.C. Chief Financial Officer Natwar M. Gandhi.

Kaiser's résumé inflated his achievements and included outright fabrications. Once in his job with Gandhi, he secretly added his name to the list of officials authorized to write checks on a special bank account.

In November 2001, internal auditors discovered that his credentials -- including a law degree from Cambridge University in England -- were false, and he was forced to resign his \$122,000-a-year job. City officials initially did not pursue criminal charges or contradict Kaiser when he told co-workers that he was resigning to care for his father overseas.

After the fraud was reported in The Washington Post, District and federal investigators entered the case and discovered that he had spent \$248,000 in city money to help pay for a \$48,000 Mercedes-Benz, an \$8,000 honeymoon and a wedding party, among other things.

He and his wife lived in England for the first part of 2002. He voluntarily returned to the United States in May to face charges, said Kaiser's attorney, Plato Cacheris.

Kaiser calmly told Huvelle that he would repay the city and apologized to family, friends, co-workers and taxpayers.

"I misunderstood the consequences of living a false life," he said. "It can hurt those closest to one, destroy one's reputation and put one in compromising situations. In my case, all three scenarios unfolded. . . . I extend my deepest apologies to my former bosses, Dr. Natwar Gandhi, and especially Daniel Rezneck, two of the most honorable people I have ever had the distinction to meet, whose trust I violated."

The restitution includes the embezzled funds and \$266,000 in District salary he collected from 1998 through 2001 -- the period in which he was fraudulently employed as a licensed lawyer.

Kaiser served on the legal staff of the D.C. financial control board and later as general counsel to Gandhi. At both agencies, he was a liaison between city finance officials and key aides on D.C. oversight committees in Congress.

In a document recently filed with the court, Kaiser said he needed the money to cover debts related to his divorce and his remarriage, among other things.

But during the hearing, Huvelle dismissed that explanation as specious, pointing out that she could not sympathize with his "financial problems" when he was using the money to buy a Mercedes-Benz and pay \$3,500 a month to rent an apartment.

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Former D.C. official sentenced

Jim Keary
THE WASHINGTON TIMES

Published 10/23/2002

Saamir Kaiser, former general counsel for the District's chief financial officer, was sentenced to 54 months in prison yesterday for lying on his job application and for stealing nearly a quarter of a million dollars from the city.

Prosecutors had asked for a three-year prison sentence, but U.S. District Judge Ellen Segal Huvelle sentenced Kaiser to two years, the maximum for his conviction of fraud in the first degree, and 30 months for the theft charges. He faced up to eight years in prison on the theft charge.

Kaiser was also ordered to pay \$514,149.97 in restitution.

Kaiser, 37, pleaded guilty to fraud July 9 for lying on his city employment application about having a law degree and being licensed to practice law in Maryland and New York. He also admitted embezzling \$248,105 in city funds for his own use.

His guilty plea was part of an agreement with the U.S. Attorney's Office that it would not seek a sentence greater than 12 months in prison on the mail-fraud charge or 18 months in prison on the fraud charge. The agreement also required him to repay the stolen money to the District.

As part of his plea agreement and statement of facts in the case, Kaiser admitted that he lied to the city and the D.C. financial control board about his education.

"The defendant's brazen criminal conduct cheated the citizens of the District of Columbia and undermined their confidence in local government," U.S. Attorney Roscoe C. Howard Jr. and Assistant U.S. Attorney Gregory G. Marshall said in the sentencing memorandum.

"His motivation was purely selfish and driven by greed."

Kaiser is the sixth high-ranking D.C. official in two years to admit inflating his credentials before being hired. Former Parks and Recreation Department Director Robert Newman, and Chief Ronnie Few and three of his top aides in the D.C. Fire and Emergency Services Department had inaccuracies in their resumes.

A joint investigation by the D.C. Inspector General's Office and the FBI found that Kaiser was hired as a paralegal researcher for the now-dissolved D.C. financial control board and was promoted to a staff attorney position with the board in October 1998.

He was promoted after telling the control board that he had a law degree and had passed the New York State bar examination.

The control board promoted him again in April 2000 to the position of counsel.

Kaiser then submitted an application to the D.C. government in January 2001 for the position of deputy general counsel for the Office of the Chief Financial Officer. Six months later — in July 2001 — he was promoted to general counsel for the chief financial officer and received an annual salary of \$121,285.

As general counsel he was also assistant treasurer for the D.C. Tobacco Settlement Financing Corp., which administers the District's share of the national tobacco settlement.

Kaiser was authorized to sign the corporation's checks, and from June 2001 to January wrote 18

checks totaling \$248,105, which were made payable to him or went toward his personal expenses. Among his expenses were the down payment on a new Mercedes-Benz and \$8,005 to pay for a honeymoon.

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