

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA

* **CRIMINAL DOCKET NO. 07-103**

v.

* **SECTION: "L"(5)**

JAMES G. PERDIGAO
a/k/a Jamie Perdigao

*

* * *

FACTUAL BASIS

If this matter would have gone to trial, the Government would have introduced the following through relevant and competent evidence and testimony beyond a reasonable doubt:

That the defendant, James G. Perdigao, a resident of New Orleans, Louisiana, was an attorney employed by a New Orleans, Louisiana law firm, Adams & Reese, LLP, at all pertinent periods related to the allegations contained in the Second Superseding Indictment.

That Adams & Reese is a law firm with its principal office located in New Orleans, Louisiana, wherein Perdigao was employed as an attorney from on or about May 1987 to on or about October 2004 and at all pertinent times of his employment with Adams & Reese, he was bound by the partnership agreement which in part provided that no partner may engage in the practice of law except that of the partnership (Adams & Reese). Accordingly, Perdigao could not engage in the practice of law outside his employment with Adams and Reese. Furthermore, all client payments

submitted pursuant to billing invoices by all attorneys employed by Adams & Reese were the property of Adams & Reese and were only to be deposited in an Adams & Reese operating bank account.

That Pinnacle Entertainment, Inc. (hereinafter referred to as Pinnacle) is a publicly traded Delaware Corporation with its headquarters located in Las Vegas, Nevada. Pinnacle owned and operated casinos throughout the United States, including Louisiana. Pinnacle is a corporate parent of Louisiana-1 Gaming, a partnership domiciled in Louisiana with its principal place of business in Harvey, Louisiana. Louisiana-1 Gaming operated the Riverboat Casino called Boomtown Casino (hereinafter referred to as Boomtown). Pinnacle employed Adams & Reese to provide legal services. One of the Adams & Reese lawyers who performed legal services for Pinnacle and its companies was the defendant, Perdigao.

Bank Fraud

That Bank One (now Chase Bank) was a financial institution located in New Orleans, Louisiana, (Eastern District of Louisiana) and elsewhere, the deposits of which were insured by the Federal Deposit Insurance Corporation. That Whitney Bank was a financial institution located in New Orleans, Louisiana, the deposits of which were insured by the Federal Deposit Insurance Corporation. That the defendant, Perdigao, had ownership, dominion and control over numerous bank accounts at Bank One (now Chase Bank) and Whitney Bank.

The Government will show that beginning at a time unknown but as early as 1991 and continuing through on or about October 2004, in the Eastern District of Louisiana and elsewhere,

the defendant, Perdigao, did knowingly defraud Bank One (now Chase Bank) by knowingly depositing stolen checks and funds belonging to Adams & Reese into his bank accounts at Bank One.

The defendant further defrauded Bank One that from on or about the beginning of November 2003 through the end of August 2004, Perdigao stole approximately 2.7 million dollars in checks belonging to Adams & Reese. The defendant, Perdigao, accomplished this fraud by misrepresenting his authority to Bank One and fraudulently endorsing checks that were payable to Adams & Reese. The defendant, Perdigao, deposited these stolen checks from Adams & Reese into his Bank One accounts.

Mail Fraud

A. Pinnacle False Billing Invoices

The Government would introduce competent testimony and documentary evidence that beginning prior to 1993 and continuing until on or about October 2004, the defendant, Perdigao, created inflated billing and invoices by inserting false and fictitious information on the invoices from his employer, Adams & Reese, in order to obtain money from Pinnacle and Boomtown Casino.

The Government would introduce by competent testimony and documentary evidence that representatives of Pinnacle and Boomtown would testify that they received these false legal billing invoices from the defendant, Perdigao, through the United States mail. Further, based upon the false representations created by the defendant Perdigao, in the invoices, it thereby caused Pinnacle and Boomtown to pay for services that were not rendered by the defendant, Perdigao. Finally, representatives from Pinnacle and Boomtown would testify that they were billed approximately 7 million dollars by the defendant, Perdigao, during this time period.

B. False Louisiana Income Tax Returns

The government would show evidence that from on or about April 12, 2002 through on or about June 5, 2005, in the Eastern District of Louisiana and elsewhere, the defendant, Perdigao, defrauded the Louisiana Department of Revenue, State of Louisiana, by filing false and fraudulent Louisiana Resident Individual State Income Tax Returns. The defendant, Perdigao, intentionally entered and made false entries onto his reporting forms for tax years 2001 through 2004 which concealed his true income thereby effectively eliminating his Louisiana State personal income tax liability resulting in a loss of thousands of dollars of tax revenue to the Louisiana Department of Revenue, State of Louisiana. Testimony from officials of the Louisiana Department of Revenue would testify that if an individual provides false information on their federal tax return then their Louisiana income tax return would also be false, due to the fact that a Louisiana income tax return requires information from the federal tax return in order to properly and accurately complete the Louisiana tax return.

The Government would present testimony and documentation that Perdigao, in defrauding the Louisiana Department of Revenue, did cause to be delivered and received from the mail his Louisiana Resident Individual Income State Tax Returns addressed to the Louisiana Department of Revenue, Baton Rouge, Louisiana for the tax year 2001 on or about April 12, 2002 (which corresponds to Count 56 in the Second Superseding Indictment).

Interstate Transportation of Stolen Funds

The Government would introduce by competent testimony and documentary evidence that the defendant, Perdigao, beginning as early as 1991 and continuing until on or about October 2004 in New Orleans, Louisiana and elsewhere, intentionally stole monies belonging to his employer,

Adams & Reese, by fraudulently accessing a Adams & Reese bank account and then exceeded his authorized access by making unauthorized withdrawals from these particular Adams & Reese accounts. Representatives of Adams & Reese would testify that during this time period they discovered illegal transfer of funds by the defendant, Perdigao, totaling approximately twenty three million dollars (\$23,000,000). The defendant, Perdigao, illegally transferred these stolen funds in interstate and foreign commerce that were in excess of \$5,000 belonging to Adams & Reese to domestic and foreign bank accounts controlled only by the defendant. The Government would show that upon instructions by the defendant, Perdigao, Bank One and Whitney Bank transferred stolen funds residing in Perdigao's bank account to the Bank of New York.

Money Laundering

The Government would produce evidence through documents and testimony that the defendant, Perdigao, did knowingly engage in a monetary transaction, by, through and to a financial institution affecting interstate and foreign commerce in that Perdigao did deposit and cause to be deposited into the Credit Suisse Bank located in Zurich, Switzerland through several wire transfers, from the Bank of New York, beginning on or about October 6, 2004 through on or about October 12, 2004, knowing that such property and funds, having been derived from a specified unlawful activity, that is the interstate transportation of money in the amount of approximately \$19,205,000.00 that was stolen, converted, embezzled and taken by fraud from his victims.

Income Tax Evasion and Filing False Tax Returns

The Government would introduce by competent testimony and documentary evidence that on all dates listed in the Second Superseding Indictment that the defendant, Perdigao, was a resident of New Orleans, Louisiana and was required to file United States Personal Income Tax Returns. The

defendant intentionally evaded and defeated a large part of his income tax due and owing by him to the United States of America by concealing from the Internal Revenue Service the true amount and extent of his income which the defendant did not list on his personal tax returns. The source of income in which the defendant failed to include on his personal tax returns were funds that the defendant had stolen from Adams & Reese and others. The Government would introduce competent evidence to show that the defendant, Perdigao diverted these stolen funds into bank accounts only controlled by the defendant. Further the Government would show entries made by the defendant on his personal tax returns were false and he knew them to be false at the time they were made relating to his total income reported, losses entered in order to offset his income and entries to take advantage of the earned income tax credit (EITC).

Further, the Government would introduce competent testimony and evidence that the defendant Perdigao further concealed his income from the Internal Revenue Service by intentionally eliminating his personal income tax liability for the years listed in the Second Superseding Indictment by fraudulently creating partnership tax returns that generated losses that were used to eliminate his personal income tax liability.

Obstruction of Justice and Unlawful Computer Intrusion

Further, the Government would present evidence that on September 3, 2004, Perdigao tendered his resignation from the law firm of Adams & Reese and, on the same date, system administrators at Adams & Reese removed Perdigao's user name and password from Adams & Reese's list of authorized users who were permitted to access the law firm's computer network.

Representatives from Adams & Reese would testify that since 2004, Adams & Reese operated offices in New Orleans, LA; Baton Rouge, LA; Jackson, MS; Mobile, AL; Birmingham,

AL; Houston, TX; and Washington, D.C. and that Adams & Reese maintains a computer server at each office location.

The government would present evidence that certain authorized employees of Adams & Reese were permitted to remotely access the law firm's computer network also referred to as the Virtual Private Network (VPN) through a traditional dial-up method or via Internet access and that Adams & Reese's computers are connected to the Internet and were, therefore, a "protected computer" as that term is used in 18 U.S.C. § 1030. When a user accesses the VPN of Adams & Reese, the user then has the ability to access Interwoven, the firm's document management system; Webview, the interface to the firm's accounting and billing software; and Outlook, the firm's electronic mail (E-mail) system.

The government would present evidence that from the date Perdigao left his employment at Adams & Reese, to on or about October 15, 2008, Perdigao accessed, without authorization, the computer network of Adams & Reese on approximately four-hundred (400) occasions. FBI agents would testify and introduce evidence to establish that Perdigao repeatedly accessed the computer network of Adams & Reese and stole documents related to his pending criminal case and civil case in order to corruptly endeavor to influence, obstruct, and impede, the due administration of justice in the pre-trial and trial proceedings in *United States v. James G. Perdigao*, Criminal Docket No. 07-103 "L".

The Government would introduce documents and records that were seized by federal agents on October 15, 2008, after executing a federal search warrant, based on probable cause, at the residence of Perdigao's girlfriend. FBI agents would testify that they recovered confidential correspondence and notes between the U. S. Attorney's Office and Adams & Reese, copies of

emails, as well as a copy of a federal grand jury subpoena issued to Adams & Reese. In addition, located on Perdigao's computer, agents discovered several hundred documents that Perdigao had requested in a subpoena pursuant to Rule 17(c) of the Federal Rules of Criminal Procedure.

Further, on or about a date unknown, but after February 1, 2007, and before the date of the Second Superseding Indictment, an individual stole handwritten notes regarding the Perdigao matter from at least two attorneys' files at the law firm of Adams & Reese. A file found on a computer belonging to Perdigao seized pursuant to a search warrant executed October 15, 2008, revealed a computer file containing a reproduction of one of the attorney's stolen notes.

JAMES G. PERDIGAO (Date)
Defendant

CHARLES F. GRIFFIN (Date)
Attorney for Defendant

WILLIAM F. WESSEL (Date)
Attorney for Defendant

JAMES R. MANN (Date)
Assistant United States Attorney

SALVADORE PERRICONE (Date)
Assistant United States Attorney

BRIAN M. KLEBBA (Date)
Assistant United States Attorney

LOAN "MIMI" NGUYEN (Date)
Assistant United States Attorney