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Pellicano, Six Others Face 110 Counts Feds Allege Private Eye Paid Two for Secret Information

By John Hanusz
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Celebrity private detective Anthony Pellicano and six associates, including a former Los Angeles police sergeant and a telephone company technician, were charged with illegal wiretapping, breaking into computers, wire fraud and bribery in a 110-count federal indictment unsealed Monday.

The indictment said Pellicano paid former Sgt. Mark Arneson, 52, almost \$190,000 from 1997-2002 in exchange for confidential information Arneson culled from Los Angeles Police Department computers.

Pellicano also paid Rayford Turner, 49, a retired SBC field technician, almost \$37,000 during the same period for providing confidential SBC information to Pellicano.

Illegal Wiretaps

Turner's "expertise and access" helped Pellicano, 61, put illegal wiretaps in place, prosecutors said.

Neither lawyers nor law firms were named in the 60-page indictment. They still may be in prosecutors' crosshairs, however.

The indictment alleges Pellicano was responsible for "securing clients who were willing and able to pay large sums for the purpose of obtaining personal information of a confidential, embarrassing, or incriminating nature regarding other individuals, including opponents or witnesses in criminal or civil litigation."

'Bound Together'

The three men were engaged in an enterprise "bound together by the common purpose of earning income through the conduct of diverse criminal activities including, but not limited to, illegal wiretapping, unauthorized access of protected computers, wire fraud, bribery, identity theft, and obstruction of justice," the indictment said.

Arneson retired in 2003 amid a joint LAPD-FBI investigation of his ties to Pellicano. Turner retired from SBC in 2001.

At his arraignment Monday morning in front of U.S. Magistrate Judge Stephen J. Hillman, Pellicano, looking gaunt but defiant, pleaded not guilty to the charges.

During a detention hearing later in the day, Hillman denied bail, agreeing with prosecutors that Pellicano is a flight risk and a danger to the community.

In response to the government's assertions that Pellicano had offered to "take out" witnesses in cases, Pellicano's attorney, Steven Gruel of San Francisco, countered, "I find it odd that [the allegations] haven't seen fit to make it into any kind of charges."

Gruel added that the government had been attempting to secure the disgraced private eye's cooperation even up until a few weeks ago when Assistant U.S. Attorney Daniel A. Saunders and an FBI agent paid a visit to Pellicano in prison.

Outside court, Gruel said his client planned to "vigorously defend" himself against the new charges.

At an afternoon press conference, Acting U.S. Attorney George S. Cardona condemned what he called a "disturbing pattern of criminal conduct."

Money, he said, "flowed freely to encourage sworn law enforcement officers to violate their oaths to uphold the law, and to provide the means for Pellicano and his associates to violate the rights of other individuals, who reasonably expected to conduct their lives without having their private information sold for profit, and their private communications intercepted by illegal wiretaps."

Arneson is accused of running the names of dozens of individuals - including actors Garry Shandling and Kevin Nealon, attorney Gregory S. Dovel, film producer Vincent "Bo" Zenga, former Los Angeles Times reporter Anita Busch and actor Keith Carradine - through LAPD computers.

He later provided that personal information to Pellicano, prosecutors said.

At Arneson's arraignment, Saunders said the federal investigation revealed that Arneson had committed over 1,000 federal offenses.

Saunders also said that among the names Arneson allegedly ran through LAPD computers was Thomas E. Holliday, a white-collar defense lawyer at Gibson, Dunn & Crutcher.

During the arraignment, Saunders said Holliday submitted a letter supporting Arneson's request for bail. Holliday's name was not mentioned in Monday's indictment.

Arneson's attorney, Steven D. Miller, declined to comment, and Holliday could not be reached.

Turner's lawyer, Mona Soo Hoo, said, "Mr. Turner is looking forward to his day in court. We'll know more about the case when we get discovery."

Turner and Arneson were released on bonds of \$100,000 and \$50,000, respectively.

Dovel represented Zenga in litigation against Pellicano client Brad Grey and currently represents Zenga in a civil suit against Pellicano and Arneson.

"I'm surprised," Dovel said upon learning that Arneson provided his personal information to Pellicano. "It just shows to what kind of depth people will go."

Brian Kabateck, who represents Busch in separate civil suit against Pellicano, Arneson and an unnamed law firm, said there is "still a lot of information to be revealed as to who was behind it. They didn't do this for their pleasure. They were doing it at someone's request."

The indictment also said unnamed "corrupt public officials" participated in the racketeering scheme. Cardona would not identify the other officials.

Pellicano, Turner and Kevin Kachikian, 41, a software engineer, were charged with a single count of conspiracy for developing a wiretapping system called "Telesleuth" and implementing it with Turner's assistance.

The three men allegedly used the system to listen to telephone conversations of a number of individuals, including actor Sylvester Stallone, film producers Zenga and Aaron Russo, and former Los Angeles Times reporter Busch.

The three also face nine separate wiretapping counts.

Robert Pfeifer, Abner Nicherie and Daniel Nicherie, whom Cardona described as Pellicano's clients, were charged with single counts of wiretapping. Pfeifer, arrested last week, allegedly wiretapped Erin Finn, his ex-girlfriend. Pfeifer is a former executive with Disney-owned Hollywood Records.

According to prosecutors, the Nicherie brothers "aided and abetted" Pellicano in his wiretapping of Ami Shafir, who was involved in a business dispute with Abner Nicherie.

Daniel Nicherie, 45, is awaiting trial for defrauding Shafir, and Abner Nicherie, 42, was scheduled to be arraigned in Las Vegas.

Cardona would not comment on whether attorneys who employed Pellicano would be charged in the future, other than to say that the investigation is ongoing.

So far, entertainment lawyer Bertram Fields is the only attorney to acknowledge publicly he is a subject of the probe.

In response to inquiries, Norman Levine, the managing partner of Fields' firm, Greenberg Glusker Fields Claman Machtinger & Kinsella, released a statement denying wrongdoing.

"As we have said before, like many other attorneys and law enforcement officials, some members of our firm used Anthony Pellicano as an investigator. However, if Mr. Pellicano engaged in any illegal activity he did so without their or the firm's knowledge or authorization," the statement read.

Loyola Law School professor Laurie L. Levenson called the indictment significant but added, "There's probably more to come. It's 110 counts, a RICO charge and it mentions celebrity names. It will get attention. It's more significant for what it doesn't have. It doesn't have any lawyers. People were waiting for the lawyers, and that may be the next step. It would have been more significant if it had started naming lawyers."

The six-defendant indictment along with an unsealed information charging SBC sales support manager Teresa Wright, brings to 10 the number of individuals charged in connection with the three-year probe.

Wright pleaded guilty in January to a single count of unlawfully accessing a computer and obtaining confidential information regarding an unnamed SBC customer.

Former Beverly Hills police Officer Craig Stevens and Sandra Will Carradine, Pellicano's ex-girlfriend, pleaded guilty in January to charges stemming from the probe.

Stevens admitted to seven felonies related to unlawfully accessing personal information from law enforcement databases and selling it to Pellicano.

Carradine pleaded guilty to two counts of perjury for lying to a grand jury about whether she knew Pellicano wiretapped her ex-husband, actor Keith Carradine, during their divorce proceedings.

The wiretapping probe stemmed from an investigation of threats made against Busch, who was investigating actor Steven Seagal's alleged ties to organized crime. A Pellicano associate, Alexander Proctor, allegedly admitted to an informant that the private detective hired him to threaten the reporter.

Subsequent searches of Pellicano's West Hollywood offices revealed illegal firearms and explosives. It was during these searches that federal agents also found reams of evidence indicating Pellicano had engaged in illegal wiretapping. Pellicano pleaded guilty to the weapons charges in 2003.

State prosecutors charged Pellicano in June in connection with the threats made against Busch.

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