

3/11/05



U.S. DEPARTMENT OF JUSTICE
NORTHERN CRIMINAL ENFORCEMENT SECTION
TAX DIVISION
600 E STREET, NW
WASHINGTON, DC 20004
FAX: (202) 616-1786

FACSIMILE TRANSMISSION COVER PAGE

DATE/TIME: March 11, 2005 (4:04pm)

TO: The Honorable Paul L. Friedman
United States District Court
District of Columbia

FAX: (202) 354-3498

Abbe David Lowell, Esquire
Chadbourne & Parke LLP
Washington, DC

FAX: (202) 974-5602

CONFIDENTIAL FACSIMILE COMMUNICATION

The information contained in this facsimile message, and any and all accompanying documents constitutes confidential information. This information is the property of the U.S. Department of Justice. If you are not the intended recipient of this information, any disclosure, copying, distribution, or action taken in reliance upon this information is strictly prohibited. If you received this message in error, please notify us immediately at the above number to make arrangements for its return to us.

FROM: KAREN E. KELLY
TRIAL ATTORNEY

(202) 616-3864

PAGES - 4 + cover sheet.

**U.S. Department of Justice**

Tax Division

Northern Criminal Enforcement600 E Street NW
Washington, D.C. 20044(202) 514-5150
Fax: (202) 514-8455

March 11, 2005**VIA FACSIMILE AND FIRST CLASS MAIL**

The Honorable Paul L. Friedman
United States District Court
District of Columbia
E. Barrett Prettyman U.S. Courthouse
333 Constitution Avenue, N.W.
Washington, D.C. 20001

Re: United States v. Walter Anderson, Cr. 05-66 (PLF)

Dear Judge Friedman:

The Government respectfully submits this letter in response to the proposed Order Setting the Conditions of Release submitted by Mr. Anderson.

The proposed Order fails to supply conditions of release adequate to ensure that Mr. Anderson will appear at trial. It contains no surety, no money, no property that he owns, no GPS system -- nothing but empty promises about what Mr. Anderson will allegedly refrain from doing. Moreover, even if conditions such as GPS had been included, there is no reason to believe that the Pretrial Services Agency, the United States Marshals Service, or other law enforcement agencies could act swiftly enough to prevent Mr. Anderson from boarding a plane to any place in the world.

The Government focuses the Courts attention on the limited financial resources offered by Mr. Anderson to secure his release. This is in contrast to \$20 million deposited into a bank account in Switzerland which the Government is aware of, which funds disappeared after the execution of the first search warrant in this case. Despite our repeated investigatory efforts, the Government has been unable to trace those Switzerland funds. In addition to those funds, and according to Mr. Anderson's most recent Washington Post interview, Mr. Anderson controls \$30-\$50 million in funds located overseas in a recently formed Panamanian foundation. Against these resources, Mr. Anderson offers this Court his elderly mother's home.

The Government is unimpressed with his offer to post this Virginia home valued at \$500,000, while he enjoys the ownership of a \$5 million, 19,000 square foot villa in Madrid, Spain.

-2-

The Court is aware that any extradition "general waiver" executed by Mr. Anderson is nothing more than a piece of paper with his signature. The United States cannot compel a sovereign nation to extradite in compliance with the laws of the United States. A sovereign nation will follow the laws of the sovereign nation.

A wise fugitive will flee to a country that does not have an extradition agreement in place with the United States. In fact, Mr. Anderson appears to have researched this issue extensively, as displayed by his library collection, including Poof! How to Disappear and Create a New Identity, and Reborn Overseas: Identity Building in Europe, Australia and New Zealand; Methods of Disguise. But of course, that puts the cart before the horse, because extradition assumes that the Government can locate Mr. Anderson. A worldwide search is exactly that, world-wide. And in pursuing Mr. Anderson, the Government would not even know whom to seek: Mr. Roth, Mr. Prospero, Mr. Zzylich, Dr. Paul Anderson, or some new alias.

Contrary to Mr. Anderson's many arguments, the Government does not seek to punish Mr. Anderson for his library collection, or his use of aliases, or for owning an internet passport and other identity documents, or for using offshore corporations located in tax haven jurisdictions, or for having assets outside this country, or for having few assets inside this country. The government does not seek punishment at all. Instead, it is the combination of these factors that demonstrates that this man is a grave risk of flight who should be detained so that a trial may be had.


The government reiterates its position, as set forth in our motion and in oral argument, that there are no reasonable conditions that will ensure the appearance of Mr. Anderson should he be released.

Accordingly, the Government respectfully requests the Court detain Mr. Anderson for trial.

Respectfully submitted,

EILEEN J. O'CONNOR
Assistant Attorney General

By:


Karen E. Kelly
Trial Attorney
U.S. Department of Justice, Tax Division
VA Bar No. 35403
600 E Street NW
Washington, D.C. 20530
(202) 616-3864

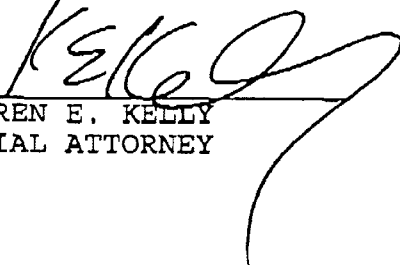
- 3 -

SUSAN B. MENZER
ASSISTANT UNITED STATES ATTORNEY
United States Attorney Office
District of Columbia
D.C. Bar No. 421007
555 Fourth Street, N.W.
Washington, D.C. 20530
(202) 514-6968

- 4 -

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of this pleading to Abbe David Lowell, Esquire by facsimile (202) 974-5602 and mail to Chadbourne & Parke LLP, 1200 New Hampshire, N.W., Washington, D.C. 20036, this 11th day of March, 2005.



KAREN E. KELLY
TRIAL ATTORNEY