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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**  
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### **ANTHONY PELLICANO, TWO OTHERS NAMED IN FEDERAL RACKETEERING INDICTMENT**

**Indictment Alleges Widespread Wiretapping Activities and  
Trafficking in Data Illegally Taken from Law Enforcement Databases**

#### **[Pellicano Indictment](#)**

**Los Angeles, CA** - A federal grand jury has indicted Anthony Pellicano and two associates on federal racketeering charges for allegedly participating in a criminal enterprise in which Pellicano paid tens of thousands of dollars to police officers to provide him with confidential law enforcement information on numerous individuals in connection with private investigations being conducted by Pellicano. The indictment also alleges that Pellicano and others were involved in the installation of wiretaps on numerous individuals that Pellicano had been hired to investigate.

A federal grand jury in Los Angeles returned a 110-count indictment under seal on February 1. That indictment, which charges a total of seven defendants, was unsealed today when Pellicano was arraigned on the indictment. The case was announced today at a press conference by Acting United States Attorney George S. Cardona and FBI Assistant Director in Charge J. Stephen Tidwell.

The defendants charged with being members of the racketeering enterprise are:

- Anthony Pellicano, 61, who just finished serving a 30-month prison sentence for federal weapons violations and who operated the Pellicano Investigative Agency on the Sunset Strip in West Hollywood;
- Mark Arneson, 52, of Culver City, who was a 29-year veteran of the Los Angeles Police Department when he retired from the department in October 2003; and
- Rayford Earl Turner, 49, of Van Nuys, a former field technician for SBC and Pacific Bell.

Pellicano and Turner are also charged in a wiretapping conspiracy. The other four defendants charged in connection with illegal wiretapping are:

- Kevin Kachikian, 41, of Fountain Valley, who allegedly developed the "Telesleuth" wiretapping software program for Pellicano;
- Robert Pfeifer, 50, of Hollywood, a man who allegedly hired Pellicano to investigate and wiretap a former girlfriend;
- Abner Nicherie, 42, of Las Vegas, Nevada, who was involved in a business dispute with a man who was allegedly wiretapped; and
- Daniel Nicherie, 45, of Las Vegas, Nevada, Abner's brother, who is currently in federal custody on charges of defrauding the man who Pellicano allegedly wiretapped.

At his arraignment this morning in United States District Court in Los Angeles, Pellicano pleaded not guilty to the charges against him. Pfeifer was arrested on Friday, and Kachikian was arrested this morning by special agents with the Federal Bureau of Investigation. Pfeifer and Kachikian are scheduled to make their initial appearances this afternoon. Arneson and Turner surrendered themselves this morning, and they are expected to make their initial court appearances this afternoon. Abner Nicherie was arrested by the FBI at his home, and he is expected to appear in court in Las Vegas this afternoon.

The wiretapping conspiracy charge alleges that Pellicano, with the help of Turner and Kachikian, illegally intercepted telephone communications of a number of individuals. According to the indictment, Kachikian began developing the Telesleuth software program in 1995. As early as 1997, the indictment alleges, Pellicano – with the aid of Turner, who provided proprietary telephone company information that allowed the wiretapping – was illegally listening to phone calls of people such as real estate developer Robert Maguire, Herbalife co-founder Mark Hughes, actor Sylvester Stallone and journalist Anita Busch.

In addition to the wiretapping conspiracy charge, Pellicano, Turner and Kachikian are charged in nine substantive wiretapping counts. Pellicano and Kachikian are additionally charged with possessing illegal wiretapping equipment.

Pfeifer and the Nicherie brothers are each charged with one substantive wiretapping count.

The racketeering charges in the indictment – Racketeer Influenced and

Corrupt Organizations Act and a conspiracy to violate the RICO Act – allege that Pellicano, Arneson and Turner comprised a criminal enterprise, the goal of which was to profit and to use illegally obtained information to benefit Pellicano's reputation and investigative business. The enterprise is accused of generating income by illegally obtaining confidential information about investigative targets and providing this information to clients of Pellicano's investigative agency. Arneson and Beverly Hills Police Officer Craig Stevens, who has previously pleaded guilty and is not charged in the racketeering indictment, are alleged to have played key roles in the enterprise by providing Pellicano with confidential DMV and criminal history information that was not available outside of law enforcement. Turner and fellow SBC employee Teresa Wright, who has pleaded guilty and is not charged in the racketeering indictment, provided confidential and proprietary information on telephone company subscribers.

The RICO count alleges 91 racketeering acts, including 63 instances in which Arneson illegally accessed the FBI-maintained National Crime Information Center database to obtain information on people, including actors, journalists and victims of John Gordon Jones, the so-called "limousine rapist."

The indictment also charges Pellicano and Arneson with 31 counts of wire fraud for depriving the LAPD and the citizens of Los Angeles of Arneson's "honest services" as a public official. The 31 counts allege separate instances in 2001 and 2002 when Arneson accessed a law enforcement database to illegally obtain information on individuals in exchange for payment from Pellicano. Those 31 database searches also constitute the basis for 31 counts of unauthorized access of United States agency information in which Pellicano and Arneson are both charged.

The indictment further charges Pellicano and Arneson with five counts of identity theft and five counts of computer fraud that relate to five searches Arneson conducted on a computer maintained by the California Department of Motor Vehicles.

In relation to searches of law enforcement computer databases that were conducted by former Beverly Hills Police Officer Stevens, Pellicano is charged with two counts of honest services wire fraud, two counts of unauthorized access of United States agency information, four counts of identity theft and four counts of computer fraud.

Pellicano and Turner are both charged with four counts of identity theft and four counts of computer fraud in relation to them directing Wright, the former SBC employee, to obtain confidential telephone subscriber information.

The indictment also accuses Arneson of lying to FBI agents when he claimed that he obtained confidential law enforcement information about journalist Anita Busch because he thought she was involved in gambling or other organized crime activities. Turner is also charged with making false statement to the FBI when he denied ever engaging in wiretapping activities with Pellicano.

Pfeifer is charged with witness tampering for threatening the woman who was wiretapped at his behest with the intent of preventing her from speaking with law enforcement officials who were investigating the wiretapping.

Kachikian is charged with destruction of evidence for destroying his Telesleuth software after Pellicano was arrested in the weapons case in late 2002.

The indictment also seeks the forfeiture of at least \$1.9 million that Pellicano, Arneson and Turner collected as the result of their alleged criminal enterprise.

"These charges allege a disturbing pattern of criminal conduct in which money 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," said Acting United States Attorney George S. Cardona.

J. Stephen Tidwell, the Assistant Director in Charge of the FBI in Los Angeles, stated: "This matter is a significant investigation into activities that impacted the basic right to privacy of individuals in Los Angeles. Unfortunately, the investigation alleges that those charged today, and previously, were willing to abuse those basic rights for the sake of personal gain. Sadly, the investigation led to the arrest of members of the law enforcement community and the private sector who apparently were willing to violate then confidence entrusted to them and conspired to operate above the law with perceived impunity."

*An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.*

Both of the RICO charges in the indictment carry prison sentences of up to 20 years in prison. The wiretapping conspiracy carries a potential sentence of five years. Witness tampering carries a maximum sentence of 10 years in prison. The charge of destruction of evidence carries a maximum penalty of 20 years in prison. The "honest services" wire fraud counts carry a maximum penalty of five years for offenses committed before July 30, 2002, and up to 20 years in prison for offenses that occurred on or after that date. The remaining counts in the indictment all have maximum sentences of five years in prison.

This case is the result of an ongoing investigation being conducted by the Federal Bureau of Investigation.

Previously, the United States Attorney's Office announced that former BHPD Officer Stevens and Pellicano client Sandra Will Carradine pleaded guilty to federal charges in the Pellicano investigation, see:

<http://www.usdoj.gov/usao/cac/pr2006/002.html>. Pellicano was prosecuted by the office for possessing illegal weapons, see: <http://www.usdoj.gov/usao/cac/pr2004/007.html>. Daniel Nicherie is scheduled to go to trial in a \$40 million fraud case on November 1, see: <http://www.usdoj.gov/usao/cac/pr2004/042.html>.

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