

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA)

v.)

KENNETH W. KAISER,)

Defendant.)

CRIMINAL NO.:

VIOLATIONS:

18 U.S.C. §§ 207(c), 216(a)(1)

2013 SEP 12 AM 11:15

13 CR 10264

INFORMATION

The United States Attorney charges that:

1. From May 1982 through July 2009, **KENNETH W. KAISER** (hereinafter, **KAISER**), was employed by the United States Federal Bureau of Investigation (FBI) as a special agent. From April 2003 through December 2006, **KAISER** was the Special Agent in Charge of the Boston office of the FBI. From January 2007 to July 2009, **KAISER** was assigned to Headquarters FBI (FBI HQ), Washington D.C., as the Assistant Director of the Inspection Division, from January through March 2007, and as the Assistant Director for the Criminal Investigative Division (AD-CID) from April 2007 until his retirement in July 2009. As AD-CID, **KAISER** was responsible for all criminal matters under investigation by the FBI nationwide, to include the Boston office of the FBI. While employed at FBI HQ, from January 2007 through his retirement, **KAISER** served in a Senior Executive Series Pay Plan position with an annual salary of greater than \$170,000 effective January 2009. **KAISER** retired from the FBI effective July 3, 2009.

2. While serving in an executive level pay position in the FBI, **KAISER** was required to have annual ethics training which included training on so-called post-government

employment (PGE) restrictions. **KAISER** certified in writing that he had completed his annual ethics training for the years 2004, 2005, 2006 and 2008. **KAISER** was also advised during 2009 of the PGE ethical restrictions (Ethics Reform Act of 1989).

3. On September 19, 2006, the FBI Boston Office opened a market manipulation investigation into conduct by individuals affiliated with LocatePlus Holding Corporation. (LocatePlus). In November 2010, Jon Latorella, LocatePlus' former Chief Executive Officer, and James Fields, LocatePlus' former Chief Financial Officer were indicted by a federal grand jury for their roles in a securities fraud scheme involving LocatePlus and other entities. Latorella pled guilty to the charges in March 2012, and Fields was convicted after a jury trial in November 2012.

4. FBI Special Agents (SA) J.C. and J.K., and Supervisory Special Agent (SSA) N.P., along with Assistant Special Agent in Charge (ASAC) J.B. had roles in the FBI Boston investigation involving LocatePlus. SA J.C. was the lead FBI case agent in Boston, and SSA N.P. and ASAC J.B. had supervisory roles over the federal investigation.

5. During the period of February through June 2009, **KAISER** was engaged in employment negotiations with LocatePlus. During the course of those negotiations, **KAISER** learned of the FBI Boston market manipulation investigation involving Messrs. Latorella and Fields through his dealings with a then member of the LocatePlus Board of Directors who was also a retired FBI agent.

6. On the same day he retired from the FBI, July 3, 2009, **KAISER** was hired as a consultant by LocatePlus to (1) handle an internal investigation regarding corporate wrongdoing by then-former CEO Latorella and CFO Fields, and (2) to help generate additional government revenues for LocatePlus' products and services, among them, a database offering online

investigative information for law enforcement, legal and insurance professionals, licensed investigators, and other businesses that require access to online public records. Approximately nine months later, **KAISER** became a full-time employee at LocatePlus, taking the position of Director of Government Sales in March 2010. **KAISER** held this position for approximately three months and in June 2010 was designated Executive Vice President in Charge of Risk Management.

COUNT ONE
(18 U.S.C. §207(c))

7. The United States Attorney re-alleges and incorporates by reference paragraphs 1 through 6 of this Information and further charges that:

8. On July 21, 2009, **KAISER** called SSA N.P. and requested a meeting with N.P. and J.C., the lead case agent assigned to the FBI's LocatePlus investigation. The purpose of the meeting was to provide the FBI Boston with a "prosecutive style report," in order to expedite the FBI's criminal investigation, to indict former LocatePlus officers Latorella and Fields, and to encourage the FBI to investigate potential wrongdoing by a third party.

9. SSA N.P. agreed to meet with **KAISER**. On July 28, 2009, **KAISER** attended a meeting at the Boston Office of the FBI while working as a paid consultant for LocatePlus. SAs J.C. and J.K., SSA N.P., and ASAC J.B. attended the meeting with **KAISER** on behalf of the FBI. At the meeting, **KAISER** expressed concern with the pace of the FBI's criminal investigation, and he stated that he thought there was sufficient evidence to support a criminal prosecution against Latorella and Fields. In addition, at that meeting **KAISER** presented a report which (i) described James Fields and John Latorella as schemsters who "diverted [company] money for their own personal use" and "attempted to inflate revenues" in a pump and

dump scheme and (ii) characterized an identified third party entity as a wrongdoer that acted “in concert with Fields and Latorella in an effort to drive-up stock prices to increase their [DCM’s] return.” At the close of the meeting, **KAISER** asked SA J.C. to set up a meeting with the Assistant United States Attorney (AUSA) assigned to the LocatePlus investigation.

10. On August 6, 2009, at his request, **KAISER**, accompanied by LocatePlus’ outside counsel and another LocatePlus representative, attended a meeting at the U.S. Attorney’s Office in Boston, Massachusetts on behalf of LocatePlus. During the meeting, LocatePlus’ outside counsel expressed his view to the assigned AUSA, the FBI case agent, and an IRS criminal investigative agent on the level of fraud that had been committed by Fields and Latorella against LocatePlus and questioned why it was taking so long to commence criminal prosecution.

11. On or about August 21, 2009, **KAISER** was hired by T.C., an individual residing in Gloucester, Massachusetts, who was a corporate executive and who had received a threatening letter in the mail. On or about August 24, 2009, **KAISER**, working on behalf of T.C., asked the FBI Boston office to investigate the threat made to T.C. As a result, FBI SSA G.C. opened a federal investigation and assigned SAs S.Z. and P.K. to the matter.

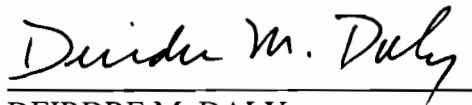
12. L.B. was a non-agent FBI CID employee assigned to the DOJ Special Operations Division and was involved with generating intelligence for official investigations (with counterparts at other federal investigative agencies). L.B. reported to FBI Unit Chief W.W. and Section Chief H.B. in the CID program at FBI headquarters. A.N., D.D. and M.B. were supervisory level agents in the CID program at FBI headquarters and reported to **KAISER** when he was the AD-CID. Agents A.N., D.D. and M.B. were familiar with the various investigative tools utilized by the FBI CID programs and operations.

13. During the period July 2009 through June 2010, **KAISER** had various prohibited

contacts with FBI employees (electronic, telephonic and in-person) regarding FBI investigative matters (paragraphs 8 -11), and his efforts to gauge the FBI's interest in LocatePlus products and services in an attempt to generate sales to the FBI (paragraph 12).

14. On or about the dates set forth below, in the District of Massachusetts and elsewhere, the defendant, **KENNETH KAISER**, within one year after the termination of his service and employment as a senior employee (at the Senior Executive Service pay rate) in the Federal Bureau of Investigation (FBI), knowingly made, with the intent to influence, communications to employees of the FBI (electronically, telephonically, and in-person), on behalf of LocatePlus and a private client T.C., in connection with the above-described matters (paragraphs 8 - 13) on which the defendant sought official action by an employee of the FBI, during the period July 2009 through June 2010.

All in violation of Title 18, United States Code, Sections 207(c) and 216(a)(1).



DEIRDRE M. DALY
ATTORNEY FOR THE UNITED STATES,
ACTING UNDER AUTHORITY
CONFERRED BY 28 U.S.C. § 515

August 15, 2013

Criminal Case Cover Sheet

U.S. District Court - District of Massachusetts

Place of Offense:	Category No. <u>III</u>	Investigating Agency <u>DOJ-OIG</u>
City <u>Boston, MA</u>	Related Case Information:	
County <u>Suffolk</u>	Superseding Ind./ Inf. _____	Case No. _____
	Same Defendant _____	New Defendant _____
	Magistrate Judge Case Number _____	
	Search Warrant Case Number _____	
	R 20/R 40 from District of _____	

Defendant Information:

Defendant Name Kenneth W. Kaiser Juvenile: ☐ Yes ☒ No

Is this person an attorney and/or a member of any state/federal bar: ☐ Yes ☒ No

Alias Name _____

Address (City & State) Hopkinton, MA

Birth date (Yr only): 1956 SSN (last4#): 8779 Sex M Race: Caucasian Nationality: USC

Defense Counsel if known: Anthony E. Fuller, Esq. Address 100 High St., 20th Flr. Boston, MA 0211

Bar Number _____

U.S. Attorney Information:

AUSA Diane C. Freniere Bar Number if applicable _____

Interpreter: ☐ Yes ☒ No List language and/or dialect: _____

Victims: ☐ Yes ☒ No If yes, are there multiple crime victims under 18 USC§3771(d)(2) ☐ Yes ☐ No

Matter to be SEALED: ☐ Yes ☒ No

☐ Warrant Requested ☒ Regular Process ☐ In Custody

Location Status:

Arrest Date _____

☐ Already in Federal Custody as of _____ in _____

☐ Already in State Custody at _____ ☐ Serving Sentence ☐ Awaiting Trial

☐ On Pretrial Release: Ordered by: _____ on _____

Charging Document: ☐ Complaint ☒ Information ☐ Indictment

Total # of Counts: ☐ Petty _____ ☒ Misdemeanor 1 ☐ Felony _____

Continue on Page 2 for Entry of U.S.C. Citations

☒ I hereby certify that the case numbers of any prior proceedings before a Magistrate Judge are accurately set forth above.

Date: 9/12/13 Signature of AUSA: Diane Freniere

District Court Case Number (To be filled in by deputy clerk): _____

Name of Defendant Kenneth W. Kaiser

U.S.C. Citations			
	<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count Numbers</u>
Set 1	<u>18 USC §§ 207(c), 216(a)(1)</u>	<u>Post-Employment Violation (Conflict of Interest)</u>	<u>1</u>
Set 2	<u> </u>	<u> </u>	<u> </u>
Set 3	<u> </u>	<u> </u>	<u> </u>
Set 4	<u> </u>	<u> </u>	<u> </u>
Set 5	<u> </u>	<u> </u>	<u> </u>
Set 6	<u> </u>	<u> </u>	<u> </u>
Set 7	<u> </u>	<u> </u>	<u> </u>
Set 8	<u> </u>	<u> </u>	<u> </u>
Set 9	<u> </u>	<u> </u>	<u> </u>
Set 10	<u> </u>	<u> </u>	<u> </u>
Set 11	<u> </u>	<u> </u>	<u> </u>
Set 12	<u> </u>	<u> </u>	<u> </u>
Set 13	<u> </u>	<u> </u>	<u> </u>
Set 14	<u> </u>	<u> </u>	<u> </u>
Set 15	<u> </u>	<u> </u>	<u> </u>

ADDITIONAL INFORMATION: _____
