



MEMO ENDORSED

U.S. Department of Justice

United States Attorney  
Southern District of New York

File <sup>TS</sup>

MEMO ENDORSED

03 Cr 484(TPG)

The Silvio J. Mollo Building  
One Saint Andrew's Plaza  
New York, New York 10007

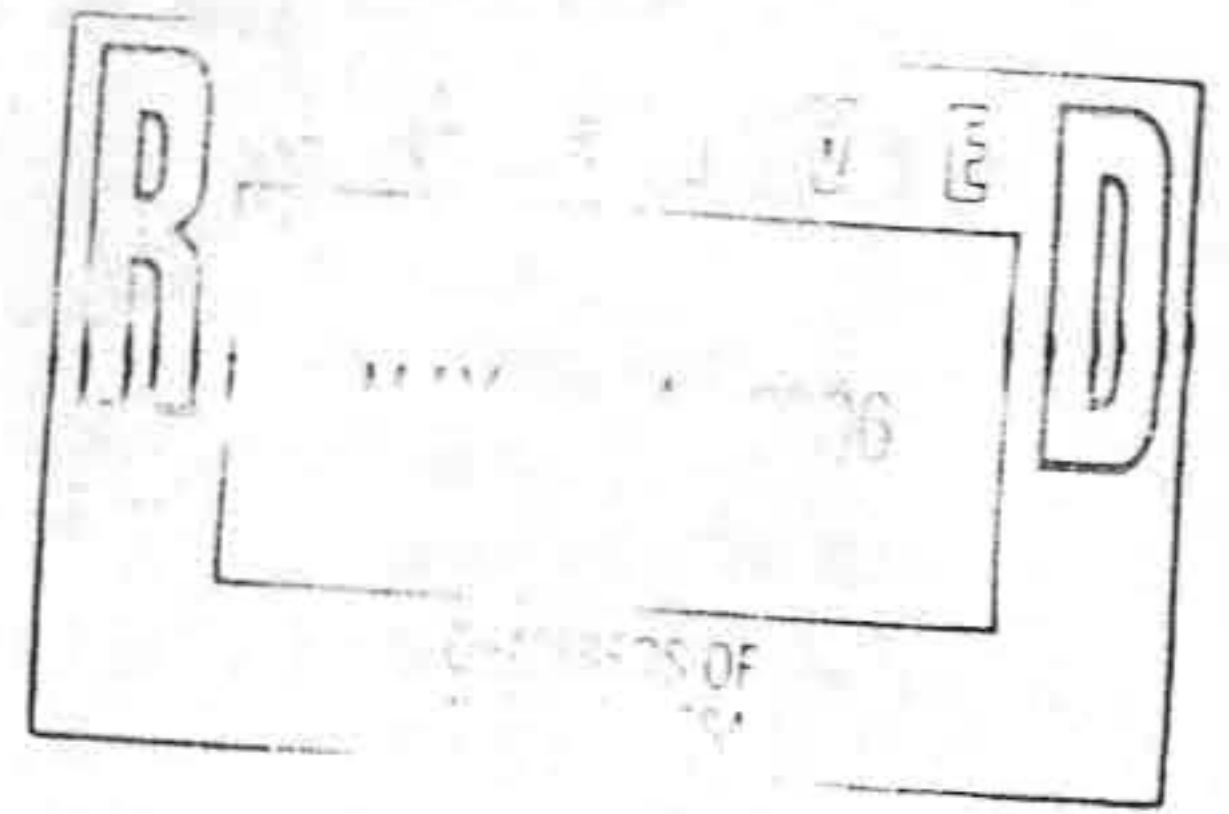
May 4, 2006

~~TO BE FILED  
UNDER SEAL~~

By Hand

Honorable Thomas P. Griesa  
United States District Court  
Southern District of New York  
500 Pearl Street  
New York, New York 10007

MEMO ENDORSED



Re: In re Grand Jury Subpoena Dated April 26, 2006  
06 Misc. \_\_\_\_\_

Dear Judge Griesa:

The Government recently commenced a grand jury investigation based on evidence of alleged witness intimidation, obstruction of justice, and impersonation of a federal official. The purported victims include the confidential informant ("CI") involved in the prosecution of Albert Santoro and the CI's extended family. In connection with that investigation, a grand jury subpoena was served on April 27, 2006, on Pallorium, Inc., a private investigation firm involved in the Santoro case.

On May 3, 2006, Santoro and Pallorium filed a motion with Your Honor in the Santoro case seeking to quash the grand jury subpoena, and seeking sanctions against the Government. For the reasons set forth below, the Government respectfully requests that the Court (1) remove the motion to quash from the Santoro docket, (2) direct the matter be assigned a "miscellaneous" number and filed under seal under the title In re Grand Jury Subpoena Dated April 26, 2006, and (3) transfer the matter to the Part I judge pursuant to the local rules for expedited resolution.<sup>1</sup>

<sup>1</sup> Local Rule 7(d) of the "Rules for the Division of Business Among District Judges" states, "The judge presiding in Part I shall... Hear and determine all matters relating to proceedings before the grand jury."

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Here, credible allegations of criminal conduct have necessitated that the Government commence a new grand jury investigation. Although the purported criminal conduct was apparently undertaken to target individuals connected to the Santoro case, such conduct can not be joined with the charges in the Santoro money laundering indictment because it is not of the same or similar character, based on the same act or transaction, or constituting part of a common scheme or plan. See Fed. R. Crim. P. Rule 8(a). Because the criminal conduct is apparently ongoing, it is essential that this matter be dealt with quickly.

The joint motion seeks to quash the grand jury subpoena, and also seeks sanctions against the Government, including the dismissal of the indictment pending against Santoro. Although frivolous, the request to dismiss the indictment is properly before Your Honor. The Government requests that the request for sanctions in the Santoro case be stayed pending the resolution of the motion to quash the grand jury subpoena before the Part I judge. The Government also requests that in transferring this matter to the Part I judge that the Court request that the Part I judge set a return date for the Government's brief in opposition to the motion to quash. If the Court approves of the Government's requests, we respectfully requests that the Court "so order" this letter.

In the event that Your Honor believes it more appropriate for you to resolve these matters, the Government respectfully requests that they be ruled upon expeditiously so that the Government may obtain the information it seeks in an ongoing criminal investigation.

Respectfully submitted,

MICHAEL J. GARCIA  
United States Attorney  
Southern District of New York



By:

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*Application denied.*

SO ORDERED.

Thomas P. Griesa  
U.S.D.J.