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Bank Fraud Charges Against Jewelry Store Owner Dismissed

By **Rachel Graf**

Law360, New York (September 11, 2017, 6:15 PM EDT) -- A Massachusetts federal judge on Monday threw out the government's criminal case against a luxury jewelry store owner charged with falsifying inventory entries to receive additional financing, saying the government didn't try hard enough to make a timely arrest.

Like the initial indictment, which was tossed in July, the superseding indictment violates the Sixth Amendment right to a speedy trial for Raman Handa, CEO of jewelry retailer Alpha Omega, U.S. District Judge Rya W. Zobel said. The court tossed the original indictment after determining a six-year delay between charging Handa and his February arrest was due to the government's negligence, and determined a new bank fraud count doesn't cure the superseding indictment of "the same constitutional defects."

"The general factual allegations of the two indictments are nearly identical, and the new bank fraud count relies on the same 2007 fraud scheme alleged in the initial indictment," the court said.

Handa was charged in 2011 with 12 counts of wire fraud for allegedly participating in a 2007 scheme to overstate the value of Alpha Omega's inventory in an effort to increase the amount it could borrow from subsidiaries of Bank of America N.A. and LaSalle Bank Midwest N.A.

The government arrested Handa in February when he landed in Los Angeles, according to the court. Handa wasn't aware of the indictment against him until the arrest, the court said when tossing the initial indictment.

Given this time lapse, the court determined "the government cannot be credited with undertaking any serious efforts to pursue the case," and dismissed the initial indictment in July.

The court said Monday the additional count in the superseding indictment, which regards the subsidiary banks' corporate structure and alleges the banks were federally insured, does not cure the Sixth Amendment violation. The court rejected the government's argument that the length of delay should begin with the April filing of the superseding indictment rather than the 2011 filing of the initial document.

"It's been 10 years since the alleged events and six years since the indictment on identical subjects, and Mr. Handa is deeply relieved by the decision," Handa's counsel Martin G. Weinberg said.

A government representative declined to comment.

The government is represented by Assistant U.S. Attorney Jordi de Llano.

Raman Handa is represented by Martin G. Weinberg.

The case is United States of America v. Raman Handa, case number 1:11-cr-10071 in the U.S. District Court for the District of Massachusetts.

--Editing by Orlando Lorenzo.