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## U.S. charges Obama fund-raiser in \$290 million fraud

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By [Grant McCool](#)

NEW YORK (Reuters) - Hassan Nemazee, a fund-raiser for Barack Obama, Hillary Clinton and other Democrats, has been indicted for defrauding Bank of America, HSBC and Citigroup Inc out of more than \$290 million in loan proceeds, U.S. prosecutors said on Monday.

The announcement follows last month's indictment of Nemazee, head of a private equity firm and an Iranian American Political Action Committee board member, on one count of defrauding Citigroup's Citibank.

The new indictment adds allegations that he defrauded two other banks, Bank of America and HSBC Bank USA, in a similar fashion by falsifying documents and signatures to purportedly show he had hundreds of millions worth of collateral.

The office of the U.S. Attorney in Manhattan and the FBI said he used the proceeds of his scheme to make donations to election campaigns of federal, state and local candidates, donations to political action committees and charities.

He bought property in Italy and paid for maintenance on two properties in New York.

His lawyer could not immediately be reached for comment.

As of August 2009 Nemazee owed Bank of America about \$142 million and owed Citibank about \$74.9 million, the indictment said. He drew on a line of credit he fraudulently obtained from HSBC to pay the Citibank loan.

Nemazee, 59, typically donates more than \$100,000 annually to Democratic political candidates. He is listed as one of the top "bundlers" of contributions to Obama's 2008 presidential campaign, according to OpenSecrets.org, a website run by the Center for Responsive Politics research group.

"For more than 10 years, Hassan Nemazee projected the illusion of wealth, stealing more than \$290 million so that he could lead a lavish lifestyle and play the part of heavyweight political fundraiser," United States Attorney Preet Bharara in Manhattan said in a statement.

Nemazee was arrested at Newark Liberty International Airport in New Jersey on August 23 as he was checking in for a flight to Italy, according to court papers. He was released on bail.

If convicted on three counts of bank fraud, Nemazee faces up to 30 years in prison and millions of dollars in fines. He is also charged with identity theft.

The case is: U.S. v. Nemazee, 09-mj-1927 in U.S. District Court for the Southern District of New York (Manhattan)

(Reporting by Grant McCool, editing by Leslie Gevartz and Matthew Lewis)

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