



reviewjournal.com

 **PRINT THIS**

Mar. 21, 2007
Copyright © Las Vegas Review-Journal

RICO used against federal prosecutor

Assistant U.S. attorney sued by defendant

By [JOAN WHITELY](#)
[REVIEW-JOURNAL](#)

A Las Vegas man facing trial for tax evasion has sued the federal prosecutor in his case, using a law that's normally a tool to fight organized crime.

The defendant, Robert Kahre, alleges Assistant U.S. Attorney J. Gregory Damm and a number of others carried out their duties with a pattern of behavior that constitutes an organized, ongoing criminal enterprise. Kahre filed the so-called RICO claim in late February. RICO stands for Racketeer Influenced and Corrupt Organizations Act.

Damm declined comment on the complaint, which covers his role in a massive SWAT raid in 2003 on several of Kahre's businesses, to collect materials for a tax investigation. Other defendants are agents of the Internal Revenue Service, FBI and North Las Vegas police, who assisted in the raid and legal aftermath.

"There are rare instances of successful RICO actions against prosecutors," said UNLV law professor Steve Johnson, but none that he is aware of in tax prosecutions.

Kahre, a 46-year-old business owner, claims Damm exceeded the scope of his duties by helping plan the raid on three sites connected to Kahre's businesses, which perform construction services.

Damm did more than prepare affidavits and warrants for the May 29, 2003 raid, which entailed excessive force, Kahre contends. An estimated 50 agents with submachine guns swarmed Kahre's workplace at 6270 Kimberly Ave. that day.

Before confiscating materials -- mostly paperwork, computers and cash -- the agents handcuffed more than 20 workers and Kahre family members and detained them at gunpoint, Kahre says. The detainees were kept outdoors in 106-degree heat without shade or water, for spans up to an hour. One detainee was an 85-year-old man, another was a 14-year-old boy.

"The fact that the kidnapper has a badge doesn't mean it's not kidnapping," said William Cohan, a San Diego attorney representing Kahre in the tax case. The Internal Revenue Service could have obtained investigation materials by grand jury subpoena instead of armed search, he said.

No illegal contraband or drugs were found during the raid. Agents also destroyed security cameras at the Kimberly Street site, says Kahre, who was able to retrieve digital pictures taken early in the raid, sent by camera to a computer that agents damaged, but left behind.

Kahre faces trial May 22 for 109 charges including failing to withhold taxes for his workers, conspiracy and attempting to interfere with the administration of Internal Revenue Service laws. The indictment says Kahre paid more than \$25 million in cash to his workers from 1997 through 2003. According to the indictment in a second criminal case, which has not been set for trial, Kahre also is alleged to have hidden assets by having relatives buy property in their names using his funds.

To protest the lack of a gold standard for U.S. currency, Kahre pays his workers in \$50 gold coins and \$1 silver coins, both issued by the U.S. Mint. He says his workers are not employees, but independent contractors responsible for paying their own taxes. Kahre is one of multiple defendants who go to trial May 22. Several have pleaded guilty and already have been sentenced.

"My whole family and people I do business with are involved. (They) are my first and foremost concern," Kahre said, letting his attorney do most of the talking.

"No matter what you think of Mr. Kahre or what he did, the manner in which this raid was carried out is nothing short of shocking. This is America?" said Cohan.

Kahre's RICO complaint -- which also names IRS agents Jared Halper and Dennis Crowther as defendants -- claims a criminal behavior pattern has continued.

After the raid, Kahre filed a civil-rights action against Damm, as well as Internal Revenue Service agents and North Las Vegas police officers for their roles.

U.S. Judge Philip Pro ruled in October 2004 that Damm is "not entitled to absolute immunity for claims that he planned every phase of an unlawful raid." Pro did not determine whether the raid was unlawful. The judge eliminated some defendants but also stripped immunity from Halper and Crowther for any illegal actions that might have occurred in the raid.

In March 2005, the 9th U.S. Circuit Court of Appeals dismissed an appeal by Damm and the IRS agents.

Three weeks later, in April 2005, a grand jury-- guided by Damm -- issued Kahre's first tax indictment. "Wouldn't you like to indict the person who just sued you?" said Cohan, Kahre's attorney.

Pro's order means Damm could be found, hypothetically, personally liable for damages. Because the possibility threatens Damm's job and pension, it creates a conflict of interest, according to Cohan. So more than a year ago, the defense asked for Damm to be disqualified from further involvement in Kahre's tax cases. Yet Damm remains the assigned prosecutor for the May 22 trial.

"It's not government. It's Greg Damm masquerading as the government," Cohan said.

Robert Metcalfe, an attorney in Washington, D.C., with the U.S. Department of Justice has represented Damm in the civil-rights complaint, which is on hold until the criminal matters are resolved. Metcalfe

said he did not know who would defend Damm against Kahre's RICO complaint.

In March 2006, a federal judge in mid-trial threw out a \$14 million securities fraud case that Damm was prosecuting because he had failed to turn over 600 pages of documents to the defense. "Flagrant, willful and in bad faith" is how U.S. District Judge James Mahan characterized the error when he granted a mistrial.

Daniel Bogden, the former U.S. attorney who supervised Damm until Feb. 28, left comment about Kahre by phone recording: "I'm sure all the facts will come out in a jury trial (on the tax charges) in open court."

Kahre also believes the May 2003 raid took place in retaliation for his efforts in early 2003 to publicize his theories about possible criminal behavior involving the construction and 2000 bankruptcy of the Resort at Summerlin, which now operates as a Marriott hotel in conjunction with the Rampart Casino. That behavior should have resulted in federal investigations, according to Kahre.

Kahre is the stepbrother of Marc Kahre, a Las Vegas police officer who was fatally shot in the line of duty in 1988.

Robert Kahre is a 1980 graduate of Rancho High with a litigious history. In 2002, without using a lawyer, he sued a judge, lawyers, the Resort at Summerlin and corporations connected to the resort. In February 2004, Judge Kent Dawson in U.S. District Court sanctioned Kahre \$40,000, with the money to go to two defendants. "Plaintiff's frivolous lawsuits have cost numerous defendants and courts, both state and federal, precious time and resources," Dawson wrote in his order.

Kahre contends the \$40,000 sanction was paid when FBI and IRS agents -- including Halper -- seized \$230,913 from him when they arrested him on the day of the 2003 raid, in the parking lot of a bank, just after he had made a cash withdrawal to meet payroll. Most of that sum was applied to Kahre's tax debt, court records show.

The agents arrested Kahre on a state bench warrant. Kahre's legal team argues the arrest was an illegal maneuver to confiscate the money without an IRS seizure warrant.

IRS spokesman Raphael Tulino declined to comment.

Find this article at:

http://www.reviewjournal.com/lvrj_home/2007/Mar-21-Wed-2007/news/13248652.html

☐ Check the box to include the list of links referenced in the article.

Copyright © Las Vegas Review-Journal, 1997 - 2007

